



March 9, 2023

VIA Electronic Mail

Honorable Michelle L. Phillips
Secretary
State of New York Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, NY 12223-1350

Re: Cases 19-E-0378 et al. – New York State Electric & Gas Corporation’s and Rochester Gas and Electric Corporation’s Electric and Gas Rate Plans – Electric Reliability Performance Measures

Dear Secretary Phillips:

Pursuant to the terms of the Electric Reliability Performance Measures in their current Joint Proposal, New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E” and together with NYSEG, the “Companies”) may petition the State of New York Public Service Commission (the “Commission”) to request that Non-Utility Control Outages be exempt from System Average Interruption Frequency Index (“SAIFI”) and Customer Average Interruption Duration Index (“CAIDI”) calculations.”¹ As more particularly explained below, for the period of January 1 through September 15, 2022 (the “Additional Period”), the Companies experienced a number of Non-Utility Control Outages, which should be considered exempt from the Companies’ SAIFI and CAIDI calculations.

Background

Appendix K of the Joint Proposal sets forth the specific metrics, targets and associated negative revenue adjustments as well as the reporting requirements associated with the Companies’ Electric Reliability Performance Measures. The Joint Proposal states that the Companies measure performance on a calendar year basis and, if either RG&E or NYSEG fails to meet any of the established reliability performance targets during any calendar year, they are subject to the associated electric system reliability negative revenue adjustments (“NRAs”) established in the Joint Proposal, Appendix K.

¹ Accidents or Events Not Under Utility’s Control are defined in the Companies’ rate plan. Cases 19-E-0378 et al. – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of New York State Electric & Gas Corporation for Electric Service, Order Approving Electric and Gas Rate Plans in Accord with Joint Proposal, With Modifications (November 19, 2020), Joint Proposal, Section XIII, Electric Reliability and Appendix K, Electric Reliability Measures and 16 NYCRR § 97 (Notice of Interruption of Service).

The Joint Proposal recognizes that factors beyond the Companies' control ("Non-Utility Control Outages") could adversely affect the Companies' ability to meet the established electric reliability performance measure targets. The Joint Proposal defines Non-Utility Control Outages to include, but not be limited to, outages due to the following: (1) vandalism; (2) unexpected deforestation (e.g., Emerald Ash Borer); (3) foreign utility supply; (4) motor vehicle accidents; (5) weather; (6) strategic pole hits; and (7) disruptions in neighboring utility systems.² The Joint Proposal also provides that the Companies do not waive and expressly retain the right to petition the Commission for a waiver, release, or other relief related to a company's failure to meet the targets established in the Joint Proposal as a result of factors beyond the Companies' control. NYSEG and RG&E also may petition the Commission to request that Non-Utility Control Outages be exempt from SAIFI and CAIDI calculations within 45 days after such an outage occurs.

Qualifying Event

As noted above, the Joint Proposal provides that the Companies' SAIFI and CAIDI reliability performance metrics are measured on a calendar year basis and the Companies may petition to exempt certain events beyond the Companies' control from the calculation of SAIFI and CAIDI results. During each calendar year, NYSEG and RG&E identify and track service interruptions occurring on their systems and report the information by class of events pursuant to the definitions contained in 16 NYCRR § 97 and identified above, including those that are outside the Companies' control (defined as "Class 6 Events"). NYSEG and RG&E monitor the impact of these events on each Company's ability to meet the year-end SAIFI and CAIDI targets.³

On the dates indicated on the attachment to this letter, the Companies experienced a number of different events, which fall within the definition of Non-Utility Control Outages. The categories of Non-Utility Control Outages are denoted on each line item on the Attachment. Because each event is a Non-Utility Control Outage, these events should be exempt from the calculation of NYSEG's or RG&E's SAIFI and CAIDI results. In addition to those examples of expressly defined Non-Utility Control Outage events included in the Joint Proposal, the Companies note that there are other instances included on Attachment 1 that identify required non-utility driven outages associated with the connection of attachments to the Companies' utility poles under the ongoing Make-Ready programs that support the NY State "Broadband for All" initiative as well as other programs. Make Ready work is created when third party attachments (for broadband service) are requested on our poles. These attachments necessitate the need to make

² These categories are consistent with 16 NYCRR § 97 (Notice of Interruptions of Service). Specifically, 16 NYCRR § 97.5(c) contains criteria to be used in classifying and reporting electric service interruptions. Item 6 in the list, referred to by the Company as Class 6, contains criteria applicable to "Accidents or Events Not Under Utility's Control." Item 14 also addresses events not under the utility's control.

³ As previously noted, NYSEG and RG&E identify and report events pursuant to 16 NYCRR § 97. The Companies submit the information following the sample form and criteria contained in 16 NYCRR § 97.5(c). NYSEG and RG&E report Class 6 items (events outside the Company's control) on this form.

physical moves of existing live facilities on the poles, which sometimes requires customer outage(s) to be done safely.

The Companies do not have a choice regarding these required outages, which are necessary to avoid delay and accommodate third-party attachers and their contractors in their ongoing broadband expansion efforts in our service territories. These broadband/telecom-driven outages have grown exponentially over the past several years. The Companies consider these events to be unavoidable and eligible Non-Utility Control Outages, the impact of which should be excluded from the calculation of SAIFI and CAIDI results in accordance with Appendix K of the Joint Proposal. The resulting calculated result, minus the excluded events, would be used to determine whether each or both of the Companies meet reliability targets during 2022. By letter petitions dated October 31, 2022, November 15, 2022, and January 13, 2023 (Letter Petitions), the Companies petitioned for similar inclusion of certain events in the category of Non-Utility Control Outages and thus exclusion from the calculation of the Companies' performance metrics.⁴

As noted above, the Companies current Joint Proposal provides a timeframe within which the Companies may seek exemption from the calculation of SAIFI and CAIDI metrics for Non-Utility Control Outages. For the reasons identified above and more fully explained below, the Companies request that the same types of exemptions identified above and in the Letter Petitions should similarly apply to Non-Utility Control events occurring during the Additional Period. First, because the Joint Proposal specifies that the Companies' SAIFI and CAIDI reliability performance metrics are measured on a calendar year basis, consistency in the inputs to the calculation of the Companies' metrics is necessary to help ensure an accurate measure of the Companies' performance. Accordingly, the input (e.g., the Non-Utility Control events excluded)/events included to calculate the Companies' performance results should be the same types throughout the particular calendar year being measured. Second, the Letter Petitions identified both the Non-Utility Control events enumerated in the current Joint Proposal as well as additional events proposed to be excluded as Non-Utility Control events. While the Companies recognize that the Commission has not yet acted on the Letter Petitions, in anticipation that the Commission will approve the exclusions identified in those petitions, the Companies propose that the Commission waive the within 45 day notice requirement and apply the same exclusions requested in the Letter Petitions to the Additional Period. The Companies respectfully request the Commission grant the request for waiver because the provision of data within 45 days has no meaningful impact on the substance or availability of data required to review the events in question. The Company is providing all of the same data for events occurring in the Additional Period as data submitted in the Letter Petitions. Further, absent the same treatment, the calculation of the Companies' performance would exclude data on non-utility controlled outages during the Additional Period and thus, would be skewed, resulting in inaccurate calculation of the performance metrics for

⁴ The Companies plan to file future petitions applicable to Non-Utility Control Events on a monthly basis, as necessary.



Amy A. Davis
Senior Regulatory Counsel

calendar year 2022.

Proposed Action

Accordingly, the Companies hereby provide notice that each event listed on Attachment 1 qualifies for exemption from the calculation of SAIFI and CAIDI performance measures pursuant to the terms of the Companies' current Joint Proposal. The Companies, hereby, petition the Commission to waive the 45 day notice requirement for exclusions during the Additional Period and authorize such exclusions from the calculation of SAIFI and CAIDI performance measure results for 2022, including calculations to determine any reliability-related NRAs.

Yours Sincerely,

A handwritten signature in black ink, appearing to read "Amy A. Davis", written in a cursive style.

Amy A. Davis

Attachment

cc: DMM Party List in Cases 19-E-0378 et al. (via e-mail)